CONSOLIDATED FINANCIAL STATEMENTS

AUDITED



2013 YEAR-END

WSP Global Inc.

Consolidated Financial Statements
December 31, 2013 and 2012

(in millions of dollars)

WSP Global Inc.

Consolidated Statements of Financial Position

As at December 31, 2013, and 2012

(in millions of Canadian dollars)

	December 31, 2013 $	December 31, 2012 $
Assets		
Current assets		
Cash and cash equivalents (note 6)	131.9	127.7
Trade, prepaid and other receivables (note 7)	483.3	466.7
Income taxes receivable	23.7	21.3
Costs and anticipated profits in excess of billings	186.5	194.4
	825.4	810.1
Non-current assets		
Other assets (note 8)	37.4	33.7
Deferred income tax assets (note 20)	28.7	29.7
Property, plant and equipment (note 9)	87.4	88.1
Intangible assets (note 10)	146.4	157.1
Goodwill (note 11)	734.6	701.1
Total assets	1,859.9	1,819.8
Liabilities and equity		
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 13)	367.9	361.0
Income taxes payable	18.4	17.6
Billings in excess of costs and anticipated profits	93.0	100.0
Dividends payable to shareholders (note 21)	19.6	19.1
Loan payable	4.6	5.0
Current portion of long-term debts (note 14)	1.5	4.6
Other current financial liabilities (note 15)	41.6	22.6
	546.6	529.9
Non-current liabilities		
Bank advances (note 12)	179.8	212.7
Long-term debts (note 14)	7.9	8.7
Other non-current financial liabilities (note 15)	6.7	1.2
Provisions (note 13)	7.0	6.9
Retirement benefit obligations (note 16)	104.4	105.4
Deferred income tax liabilities (note 20)	33.9	35.9
Total liabilities	886.3	900.7
Equity		
Equity attributable to shareholders		
Share capital (note 17)	934.4	903.3
Accumulated other comprehensive income	45.3	13.1
Retained earnings (deficit)	(5.4)	0.7
	974.3	917.1
Non-controlling interest	(0.7)	2.0
Total equity	973.6	919.1
Total liabilities and equity	1,859.9	1,819.8

Commitments and contingencies (note 25)

The accompanying notes are an integral part of these consolidated financial statements.

Approved by the Board of Directors

(signed) Pierre Shoiry Director (signed) Pierre Seccareccia Director

WSP Global Inc.

Consolidated Statements of Earnings

For the years ended December 31, 2013, and 2012

(in millions of Canadian dollars, except the number of shares and per share data)

	2013 $	2012 $
Revenues	2,016.0	1,257.5
Personnel costs	1,252.6	753.5
Subconsultants and direct costs	338.8	237.4
Other operational costs	266.6	160.8
Depreciation of property, plant and equipment	24.7	16.2
Amortization of intangible assets	34.0	24.6
Exchange loss (gain)	(1.4)	1.5
Total operational costs	1,915.3	1,194.0
Net finance expenses (note 19)	12.5	8.4
Share of income of associates and joint ventures (net of tax)	(4.3)	(1.9)
Earnings before income taxes	92.5	57.0
Income tax expenses (note 20)	22.3	10.7
Net earnings for the year	70.2	46.3
Net earnings (loss) attributable to:		
Shareholders	71.7	46.3
Non-controlling interests	(1.5)	-
	70.2	46.3
Basic and diluted net earnings per share	1.38	1.15
Basic and diluted weighted average number of shares	51,843,140	40,312,474

The accompanying notes are an integral part of these consolidated financial statements.

WSP Global Inc.

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2013, and 2012

(in millions of Canadian dollars)

	2013 $	2012 $
Comprehensive income		
Net earnings for the year	70.2	46.3
Other comprehensive income, net of tax		
Items that may be reclassified subsequently to net income		
Currency translation adjustments	36.3	17.6
Translation adjustments on financial instruments designated as net investment hedge (net of a tax expense of $1.2 ($0.5 in 2012))	(8.3)	(6.7)
Items that will not be reclassified to net income		
Actuarial gain on pension scheme (net of a tax recovery of $3.0 ($1.5 in 2012) (note 16 and 20))	3.0	2.2
Total comprehensive income for the year	101.2	59.4
Comprehensive income (loss) attributable to:		
Shareholders	103.9	59.6
Non-controlling interests	(2.7)	(0.2)
	101.2	59.4

The accompanying notes are an integral part of these consolidated financial statements.

WSP Global Inc.

Consolidated Statements of Changes in Equity

For the year ended December 31, 2012

(in millions of Canadian dollars)

	Attributable to shareholders					
	Share capital $	**Retained earnings $**	**Accumulated other comprehen-sive income (loss) $**	**Total $**	**Non-controlling interests $**	**Total equity $**
Balance – January 1, 2012	**484.3**	**17.2**	**(0.2)**	**501.3**	**0.1**	**501.4**
Common shares issued in business acquisitions (note 4b))	1.8	-	-	1.8	-	1.8
Common shares issued (note 17)	4.1	-	-	4.1	-	4.1
Common shares issued under the DRIP (note 17)	13.2	-	-	13.2	-	13.2
Common shares issued related to an equity private placement and a bought-deal (note 17)	399.9	-	-	399.9	-	399.9
Non-controlling interest acquired in a business acquisition (note 4b))	-	-	-	-	2.1	2.1
Comprehensive income						
Net earnings for the year	-	46.3	-	46.3	-	46.3
Actuarial gain on pension schemes (net of tax) (note 16)	-	-	2.2	2.2	-	2.2
Currency translation adjustments	-	-	17.8	17.8	(0.2)	17.6
Net investment hedge (net of tax)	-	-	(6.6)	(6.6)	-	(6.6)
Changes in fair value of an investment	-	-	(0.1)	(0.1)	-	(0.1)
Total comprehensive income (loss)	**-**	**46.3**	**13.3**	**59.6**	**(0.2)**	**59.4**
Declared dividends to shareholders (note 21)	-	(62.8)	-	(62.8)	-	(62.8)
Balance – December 31, 2012	**903.3**	**0.7**	**13.1**	**917.1**	**2.0**	**919.1**

The accompanying notes are an integral part of these consolidated financial statements.

WSP Global Inc.

Consolidated Statements of Changes in Equity

For the year ended December 31, 2013

(in millions of Canadian dollars)

	Attributable to shareholders					
	Share capital $	**Retained earnings (deficit) $**	**Accumulated other comprehensive income $**	**Total $**	**Non-controlling interests $**	**Total equity $**
Balance – January 1, 2013	**903.3**	**0.7**	**13.1**	**917.1**	**2.0**	**919.1**
Common shares issued under the DRIP (note 17)	31.1	-	-	31.1	-	31.1
Comprehensive income						
Net earnings for the year	-	71.7	-	71.7	(1.5)	70.2
Actuarial gain on pension schemes (net of tax) (note 16)	-	-	3.0	3.0	-	3.0
Currency translation adjustments	-	-	37.5	37.5	(1.2)	36.3
Net investment hedge (net of tax)	-	-	(8.3)	(8.3)	-	(8.3)
Total comprehensive income (loss)	**-**	**71.7**	**32.2**	**103.9**	**(2.7)**	**101.2**
Declared dividends to shareholders (note 21)	-	(77.8)	-	(77.8)	-	(77.8)
Balance – December 31, 2013	**934.4**	**(5.4)**	**45.3**	**974.3**	**(0.7)**	**973.6**

The accompanying notes are an integral part of these consolidated financial statements.

WSP Global Inc.

Consolidated Statements of Cash Flows

For the years ended December 31, 2013, and 2012

(in millions of Canadian dollars)

	2013 $	2012 $
Cash flows generated from operating activities		
Net earnings for the year	70.2	46.3
Adjustments (note 22a))	46.4	38.8
Income tax expenses (note 20)	22.3	10.7
Income taxes paid	(27.5)	(11.8)
Net finance expenses (note 19)	12.5	8.4
	123.9	92.4
Change in non-cash working capital items (note 22b))	(4.3)	3.6
Net cash and cash equivalents generated from operating activities	119.6	96.0
Cash flows generated (used in) from financing activities		
Dividends paid to shareholders	(46.2)	(42.7)
Repayment of promissory notes	-	(3.0)
Net variation of loan payable and long-term debts	(1.9)	0.9
Repayment of notes payable	(7.1)	(9.4)
Repayment of balances payable to former shareholders	(2.4)	(5.0)
Repayment of finance leases	(7.5)	(0.3)
Finance expenses paid and financing costs	(6.2)	(8.9)
Net variation in bank advances	(46.2)	158.1
Repayment of WSP Group plc bank advances	-	(151.5)
Issuance of common shares, net of issuance costs (note 17)	-	401.3
Dividends paid to a non-controlling interest	(1.5)	-
Net cash and cash equivalents generated (used in) from financing activities	(119.0)	339.5
Cash flows used in investing activities		
Business acquisitions (note 4a) and b))	(1.2)	(408.0)
Additions to property, plant and equipment	(22.3)	(16.6)
Proceeds from disposal of property, plant and equipment	1.2	1.4
Additions to intangible assets	(6.2)	(3.0)
Investments in a joint venture and in securities	-	(33.6)
Dividends received from associates	1.7	-
Net cash and cash equivalents used in investing activities	(26.8)	(459.8)
Effect of exchange rate change on cash and cash equivalents	5.0	1.6
Net change in cash and cash equivalents	(21.2)	(22.7)
Cash and cash equivalents including bank overdraft – Beginning of year	121.3	144.0
Cash and cash equivalents including bank overdraft (note 6) – End of year	100.1	121.3

The accompanying notes are an integral part of these consolidated financial statements.

Note		Page
1	Business description	10
2	Summary of significant accounting policies	10
3	Critical accounting estimates and judgments	23
4	Business acquisitions	24
5	Joint arrangements	29
6	Cash and cash equivalents	31
7	Trade, prepaid and other receivables	31
8	Other assets	33
9	Property, plant and equipment	34
10	Intangible assets	35
11	Goodwill	36
12	Credit facilities	37
13	Accounts payable and accrued liabilities	38
14	Long-term debts	40
15	Other financial liabilities	40
16	Pensions schemes	41
17	Share capital	46
18	Capital management	47
19	Net finance expenses	48
20	Income taxes	48
21	Dividends	52
22	Statements of cash flows	53
23	Related party transactions	53
24	Financial instruments	55
25	Commitments and contingencies	58
26	Segment information	60
27	Subsequent events	62
28	Comparative figures	64

(in millions of Canadian dollars, except the number of shares and per share data and unless otherwise stated)

1 Business description

WSP Global Inc. (the “Company” or “WSP”) is a professional services firm, working with governments, businesses, architects and planners and providing integrated solutions across many disciplines, from designing zero-carbon cities to project managing large-scale Infrastructure projects. The Company offers a variety of project services throughout all project execution phases, from the initial development and planning studies through to the design, construction, commissioning and maintenance phases. WSP operates in different market segments: Buildings, Infrastructure (including Transportation and Municipal Infrastructure), Industrial and Energy (including Mining, Oil and Gas) and Environment. The address of its main registered office is 1600, René-Lévesque Boulevard West, Montreal, Quebec.

On January 1, 2014, a corporate reorganization pursuant to a court-approved plan of arrangement (the "Arrangement") came into effect. The Arrangement, which was approved by the Company's shareholders at the Annual and Special Meeting of Shareholders held on May 23, 2013 and which received final approval of the Superior Court of Québec on May 27, 2013, resulted in the reorganization whereby a newly created company named WSP Global Inc. replaced GENIVAR INC. as the publicly traded company. Pursuant to the Arrangement, shareholders of the GENIVAR INC. became shareholders of WSP as of the effective date.

Having fulfilled the requirements of the Toronto Stock Exchange ("TSX"), the common shares of the Company, as of January 1, 2014, are listed under the trading symbol "WSP" on the TSX.

On August 1, 2012, GENIVAR INC. completed the acquisition of all issued and outstanding shares of WSP Group plc, a publicly-traded global multi-disciplinary professional services firm based in London, United Kingdom. Additional information on the WSP Group plc acquisition is disclosed in note 4a).

2 Summary of significant accounting policies

Basis of preparation

These consolidated financial statements have been prepared in compliance with International Financial Reporting Standards (“IFRS”) and IFRS Interpretation Committee (‘IFRC IC’) as defined in the Handbook of the Chartered Professional Accountants of Canada and adopted by the International Accounting Standards Board. These financial statements were prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of certain financial assets and financial liabilities at fair value through the consolidated statement of earnings and the consolidated statement of comprehensive income.

These financial statements were approved by the Company’s Board of Directors on March 12, 2014.

Consolidation and joint arrangements

These consolidated financial statements include the accounts of the Company and its subsidiaries for the years ended December 31, 2013, and 2012.

(in millions of Canadian dollars, except the number of shares and per share data and unless otherwise stated)

Non-controlling interests represent equity interests in subsidiaries owned by outside parties. The share of net assets of subsidiaries, attributable to non-controlling interests, is presented as a component of equity. Their share of net earnings and comprehensive income is recognized directly in equity. Changes in the parent company's ownership interest in subsidiaries that do not result in a loss of control are accounted for as equity transactions.

All significant intercompany transactions and balances have been eliminated.

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealized gains/losses on transactions between group companies are eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform to the group's accounting policies.

Joint arrangements

Joint arrangements are classified as either joint operations or joint ventures. The determination of whether an arrangement is a joint operation or joint venture is based on the rights and obligations arising from the contractual obligations between the parties to the arrangement. Joint arrangements that provide a company with the rights to the individual assets and obligations arising from the arrangement are classified as joint operations and joint arrangements that provide a company with rights to the net assets of the arrangement are classified as joint ventures.

The interests in joint arrangements that are classified as joint operations are accounted for by the Company recording its pro rata share of the assets, liabilities, revenues, costs and cash flows using the most recent financial statements of these joint arrangements available.

The interests in joint arrangements that are classified as joint ventures are accounted for using the equity method and presented as an investment in the statements of financial position.

Associates

Associates are all entities over which the Company has significant influence but not control. Investments in associates are accounted for using the equity method. Under this method, the investment is initially recognized at cost and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss and of other comprehensive income after the date of acquisition.

(in millions of Canadian dollars, except the number of shares and per share data and unless otherwise stated)

Foreign currency

The consolidated financial statements are presented in Canadian dollars, which is WSP's functional currency.

Items included in the financial statements of each of the Company's subsidiaries are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities not denominated in the functional currency of an entity are recognized in the consolidated statements of earnings, except when deferred in other comprehensive income as qualifying for net investment hedges. Foreign exchange gains and losses that relate to borrowings are presented within finance expenses. All other foreign exchange gains and losses are presented within exchange loss (gain).

Assets and liabilities of entities with functional currencies other than the Canadian dollar are translated at the period-end rates of exchange, and the results of their operations are translated at average rates of exchange for the period. The resulting changes are recognized in accumulated other comprehensive income in equity as currency translation adjustments.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is responsible for allocating resources and assessing the performance of the operating segments and has been identified as the Executive Committee.

Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of services in the ordinary course of the Company's activities. Revenue is shown net of value-added tax and after eliminating sales within the group. The Company's operations are affected by seasonality with the third quarter usually its highest and the first quarter usually its lowest.

The Company recognizes revenue when the amount of revenue can be reliably measured, when it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Company's activities as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenues and profits from cost-plus contracts with ceilings and from fixed-price contracts are accounted for using the percentage-of-completion method, which is calculated on the ratio of contract costs incurred to total anticipated costs.

Revenues and profits from cost-plus contracts without stated ceilings and from short-term projects are recognized when costs are incurred and are calculated based on billing rates for the services performed.

Certain costs incurred by the Company for subconsultants and other expenses that are recoverable directly from clients are billed to them and therefore are included in revenues. The value of goods and services purchased by the Company, when acting as a purchasing agent for a client, is not recorded as revenues.

The effect of revisions to estimate revenues and costs is recorded when the amounts are known and can be reasonably estimated. These revisions can occur at any time and could be significant. Where total contract costs exceed total contract revenues, the expected loss is recognized as an expense immediately via a provision for losses to completion, irrespective of the stage of completion and based on a best estimate of forecast results including, where appropriate, rights to additional income or compensation, where they are probable and can be determined reliably.

Personnel costs

Personnel costs include all payroll costs relating to the delivery of consulting services and projects and administrative salaries, such as finance, information technologies, human resources and communications.

Subconsultants and direct costs

Subconsultants and direct costs include subconsultant costs and other direct costs incurred to deliver consulting services and that are recoverable directly from the clients.

Other operational costs

Other operational costs include but are not limited to fixed costs, such as occupancy costs, non-recoverable client services costs, technology costs, office costs, professional services costs and insurance.

Financial assets and financial liabilities

Financial assets and financial liabilities are initially recognized at fair value, and their subsequent measurements are dependent on their classification, as described below. The classification depends on the purpose for which the financial instruments were acquired or issued, their characteristics and the Company's designation of such instruments.

Loans and receivables

Cash and cash equivalents, trade, prepaid and other receivables and costs and anticipated profits in excess of billings are classified as loans and receivables. Financial assets classified as loans and receivables are accounted for at amortized cost using the effective interest rate method less any impairment loss.

Available for sale financial assets

Financial assets available for sale are non-derivatives, are carried at their fair value and recorded in non-current assets, unless it is anticipated that they will be sold within twelve months of the statement of financial position date. Realized gains or losses arising from changes in the fair value of available

for sale assets are included in the consolidated statement of earnings in the period in which they are realized. Unrealized gains and losses are recorded in other comprehensive income.

Other liabilities

Accounts payable and accrued liabilities, dividends payable to shareholders, the loan payable, notes payable, balances payable to former shareholders, obligations under finance leases, promissory notes, provisions, long-term debts and bank advances are classified as other liabilities and are recorded at amortized cost using the effective interest rate method.

Deferred financing fees and transaction costs

Deferred financing fees related to credit facilities are capitalized and amortized over the life of the credit facilities agreement. Transaction costs related to business acquisitions are expensed as incurred.

Determination of fair value

The fair value of a financial instrument is the amount of consideration that would be agreed to be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Subsequent to initial recognition, the fair values of financial instruments that are quoted in active markets are based on bid prices for financial assets held and offer prices for financial liabilities. When independent prices are not available, fair values are determined by using valuation techniques that refer to observable market inputs and minimizing the use of unobservable inputs.

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statements of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

Derivative financial instruments and hedging activities

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Company designates certain derivatives as either:

(a) hedges of the fair value of recognized assets and liabilities or a firm commitment (fair value hedge);

(b) hedges of a particular risk associated with a recognized asset or liability or a highly probable forecast transaction (cash flow hedge); or

(c) hedges of a net investment in a foreign operation (net investment hedge).

The Company documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Company also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the consolidated statements of earnings together with any changes in the fair value of the hedged asset or liability that are attributable to the hedge risk.

Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income. The gain or loss relating to the ineffective portion is recognized immediately in the consolidated statements of earnings.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset, the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognized when the forecast transaction is ultimately recognized in the consolidated statements of earnings. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the consolidated statements of earnings.

Net investment hedge

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges.

Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognized in other comprehensive income. The gain or loss relating to the ineffective portion is recognized in the consolidated statements of earnings.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and balances with banks as well as all highly liquid short-term investments with original maturities of three months or less. For the purposes of the cash flow statement, cash and cash equivalents are net of bank overdraft.

Trade receivables

Trade receivables are amounts due from customers for the rendering of services in the ordinary course of business. Trade receivables are classified as current assets if payment is due within one

year or less. Trade receivables are recognized initially at fair value and subsequently measured at amortized cost, less impairment.

Investments

Investment held in a jointly controlled entity is accounted for using the equity method. Investments in securities are accounted for at fair value with unrealized gains or losses recognized in other comprehensive income. Investments in associates are accounted for using the equity method.

Property, plant and equipment

Property, plant and equipment are recorded at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any replaced part is derecognized. All other repairs and maintenance costs are charged to the consolidated statement of earnings during the period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the methods described below to allocate their cost to their residual values over their estimated useful lives. The estimated useful lives, residual values and depreciation methods are reviewed at each reporting period, with the effect of any changes in estimates accounted for on a prospective basis.

The following table summarizes the depreciation methods, rates and periods used:

	Methods	**Rates and periods**
Buildings	Declining balance	1% to 4%
Leasehold improvements	Straight-line	Lease term
Furniture and equipment	Declining balance	10% to 33%
Computer equipment	Straight-line	3 to 8 years

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the consolidated statements of earnings within other operational costs.

Intangible assets

Software and non-competition agreements

Software and non-competition agreements acquired separately from a business acquisition are carried at cost less accumulated amortization and accumulated impairment losses.

(in millions of Canadian dollars, except the number of shares and per share data and unless otherwise stated)

Intangible assets acquired in business acquisitions

Intangible assets acquired in business combinations consist of software, customer relationships, contract backlogs and trade names. They are recognized separately from goodwill and are initially recognized at their fair value at the acquisition date. They are carried at cost less accumulated amortization and accumulated impairment losses.

Amortization

Software, contract backlogs, customer relationships and non-competition agreements are considered intangible assets with finite useful lives. Based on the strength, long history and expected future use, trade names are indefinite-lived intangible assets. The useful life of intangible assets that are not being amortized is reviewed each reporting period to determine whether events and circumstances continue to support an indefinite useful life assessment. If not, the change in the assessment from indefinite to finite will be accounted for as a change in accounting estimates.

The other intangible assets are amortized as follows:

	Method	**Periods**
Software	Straight-line	3 to 7 years
Contract backlogs	Straight-line	18 to 36 months
Customer relationships	Straight-line	4 to 14 years
Non-competition agreements	Straight-line	3 to 5 years

Impairment of long-lived assets

Long-lived assets with finite useful lives are reviewed for impairment when events or circumstances indicate that the carrying amount may not be recoverable. Indefinite-lived assets are not subject to amortization but are tested for impairment on an annual basis in the fourth quarter, or more frequently if events or circumstances indicate that the carrying value may not be recoverable. Impairment exists when the recoverable amount of an asset is less than its carrying value. The recoverable amount is the higher of the asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units or "CGU"). The amount of impairment loss, if any, is the excess of the carrying value over its recoverable amount. Assets other than goodwill that have suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Goodwill

Goodwill represents the excess of the consideration transferred for the acquired businesses over the estimated fair value at the acquisition date of net identifiable assets acquired. Goodwill is not subject to amortization and is carried at cost less accumulated impairment loss but is tested for impairment on an annual basis or more frequently if events or circumstances indicate that it might be impaired.

For the purpose of impairment testing, goodwill is allocated to each CGU expected to benefit from the synergies of the combination. CGUs to which goodwill has been allocated are tested for impairment annually in the fourth quarter. If the recoverable amount of the CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the

unit and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognized for goodwill cannot be reversed in a subsequent period.

Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business. Trade payables are classified as current liabilities if payment is due within one year or less. Trade payables are recognized initially at fair value and subsequently measured at amortized cost.

Provisions

Provisions represent liabilities of the Company for which the amount or timing is uncertain. Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses. Provisions are measured at the present value of the expected expenditures to settle the obligation using a discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as an interest expense.

Notes payable and loan payable

Notes payable and loan payable are recognized initially at fair value, net of transaction costs incurred. Notes payable and the loan payable are subsequently stated at amortized cost with any difference between the proceeds (net of transaction costs) and the redemption value recognized in the consolidated statements of earnings over the term of the debt using the effective interest rate method. Interest on indebtedness is expensed as incurred unless capitalized for qualifying assets in accordance with IAS 23, “Borrowing Costs.”

Notes payable and the loan payable are classified as current liabilities unless the Company has an unconditional right to defer settlement for at least 12 months after the end of the reporting period.

Long-term incentive plan (LTIP)

In 2013, the Company put into place a LTIP for key management personnel under which restricted share units (“RSUs”) were issued. Payment of those units will be made in cash at the end of a three-year period if performance conditions have been fulfilled. The number of units to vest depends on the performance conditions and whether the persons are still employed by the Company. The liability is calculated at fair value, by applying a pricing model at the end of each reporting period and recorded in non-current liability over the vesting period. Under the LTIP, a total of 199,442 RSUs were granted in 2013 and did not give rise to any liability.

Income taxes

Tax is recognized in the consolidated statements of earnings except to the extent it relates to items recognized in other comprehensive income or directly in equity.

Current tax expense is based on the results for the period as adjusted for items that are not taxable or not deductible. Current tax is calculated using tax rates and laws that were enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Provisions are established where appropriate on the basis of amounts expected to be paid to the tax authorities.

The Company follows the liability method when accounting for income taxes. Under this method, deferred income tax assets and liabilities are recognized for the estimated future tax consequences attributable to temporary differences between the financial statement values and the tax values of assets and liabilities. Deferred income tax assets and liabilities are measured using enacted or substantively enacted income tax rates expected to be in effect for the year in which the differences are expected to reverse. The deferred income tax is not accounted for when arising from initial recognition of an asset or liability in a transaction other than a business combination, that affects at the time of the transaction neither accounting nor taxable profit or loss. Moreover, deferred tax is not recognized if it arises from the initial recognition of goodwill.

Deferred tax liabilities are generally recognized for all taxable temporary differences and for taxable temporary differences arising on investments in subsidiaries and joint ventures, except where the reversal of the temporary difference can be controlled and it is probable that the difference will not reverse in the foreseeable future.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be used.

Deferred income tax assets and liabilities are presented as non-current. They are offset when there is a legally enforceable right to offset tax assets against tax liabilities and when the deferred income tax assets and liabilities related to the income taxes levied by the same taxation authority on either the same taxable entity or different entities where there is an intention to settle the balance on a net basis.

Investment tax credits (ITCs)

ITCs are recorded when there is reasonable assurance that the Company will comply with all the relevant conditions and that the tax credit will be received. ITCs are subject to examination and approval by regulating authorities, and, therefore, the amounts granted may differ from those recorded. ITCs determined to be earned by the Company are recorded as a reduction of the operating expenses incurred.

Leases

Leases are classified as either operating or finance, based on the substance of the transaction at inception of the lease. The Company leases certain office premises and equipment in which a significant portion of the risks and rewards of ownership are retained by the lessor. These are classified as operating leases. Payments made under these leases (net of any incentives received from the lessor) are charged to the consolidated statements of earnings on a straight-line basis over the period of the lease.

Finance leases which transfer to the Company substantially all the risks and benefits of ownership of the asset are capitalized at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Finance expenses are charged to the statements of earnings over the period of the agreement. Obligations under finance leases are included in other financial liabilities net of finance costs allocated to future periods. Capitalized leased assets are depreciated over the estimated life of the asset or the lease term.

Pension schemes

The Company maintains a number of defined contribution schemes and contributions are charged to the consolidated statements of earnings in the year in which they are due. In addition, the Company operates defined benefit schemes which require contributions to be made to separately administered funds. The cost of providing benefits under defined benefit schemes is determined separately for each scheme using the projected unit credit actuarial valuation method. Current and past service costs together with curtailment and settlement costs are charged to operating profit. Interest costs which are based on a notional charge based on scheme liabilities during the year, less expected returns on scheme assets, are charged to net finance expenses. Actuarial gains and losses are fully recognized in equity through the consolidated statements of comprehensive income as they arise. The consolidated statements of financial position reflect the schemes' full surplus or deficit at the consolidated statement of financial position date.

Share capital

Issuance costs directly attributable to the issuance of shares are recognized as a deduction from equity, net of income tax effects.

Dividends

Dividends on common shares are recognized in the Company's consolidated financial statements in the period in which the dividends are declared.

Earnings per share

Basic earnings per share are determined using the weighted average number of shares outstanding during the year.

Diluted earnings per share are determined using the weighted average number of shares outstanding during the period, plus the effects of dilutive potential shares outstanding during the period. The calculation of diluted earnings per share is made using the treasury stock method. The Company has no dilutive items for the years ended December 31, 2013, and December 31, 2012.

Changes in accounting policies and disclosures

The Company has adopted the following new and revised standards, along with any consequential amendments, effective January 1, 2013, and early adopted IAS 36, "Impairment of Assets", effective January 1, 2014. These changes were made in accordance with the applicable transitional provisions.

(in millions of Canadian dollars, except the number of shares and per share data and unless otherwise stated)

IFRS 10, Consolidated Financial Statements

IFRS 10, "Consolidated Financial Statements," builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. This standard replaces SIC-12, "Consolidation – Special Purpose Entities," and parts of IAS 27, "Separate Financial Statements".

The Company assessed its consolidation conclusions on January 1, 2013 and determined that the adoption of IFRS 10 did not result in any change in the consolidation status of any of its subsidiaries, special purpose vehicles and investees.

IFRS 11, Joint Arrangements

IFRS 11, "Joint Arrangements," supersedes IAS 31, "Interests in Joint Ventures", and requires joint arrangements to be classified either as joint operations or joint ventures depending on the contractual rights and obligations of each investor that jointly controls the arrangement. For joint operations, a company recognizes its share of assets, liabilities, revenues and expenses of the joint operation. An investment in a joint venture is accounted for using the equity method as set out in IAS 28, "Investments in Associates and Joint Ventures" (amended in 2011). The other amendments to IAS 28 did not affect the Company.

The Company has classified its joint arrangements and concluded that the adoption of IFRS 11 did not result in any changes in the accounting for its joint arrangements.

IFRS 12, Disclosure of Interests in Other Entities

IFRS 12, "Disclosure of Interests in Other Entities," is a new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, structured entities and other off balance sheet vehicles.

The Company assessed its disclosure of interest in other entities and provided required additional disclosures.

IFRS 13, Fair Value Measurement

IFRS 13, "Fair Value Measurement," provides a single framework for measuring fair value. The measurement of the fair value of an asset or liability is based on assumptions that market participants would use when pricing the asset and liability under current market conditions, including assumptions about risk. The Company adopted IFRS 13 on January 1, 2013 on a prospective basis. The adoption of this standard did not require any adjustments to the valuation techniques used by the Company to measure fair value and did not result in any measurement adjustments as at January 1, 2013.

IAS 19, Employee Benefits

IAS 19, "Employee Benefits", (amended in 2011), amends certain accounting requirements for defined benefit plans and termination benefits. IAS 19 (Revised 2011) requires the net defined benefit liability (asset) to be recognized on the consolidated statements of financial position without

any deferral of actuarial gains and losses and past service costs as previously allowed. Past service costs are recognized in net earnings when incurred. Expected returns on plan assets are no longer included in post-employment benefits' expense. Instead, post-employment benefits' expense includes the net interest on the net defined benefit liability calculated using a discount rate based on market yields on high-quality bonds. Re-measurements consisting of actuarial gains and losses, the actual return on plan assets (excluding the net interest component) and any change in the asset ceiling are recognized in other comprehensive income. The Company continues to immediately recognize in retained earnings all pension adjustments recognized in other comprehensive income. The Company also continues to recognize interest expense on net post-employment benefits liabilities in net finance expenses in the consolidated statements of earnings.

The Company adopted this amendment retrospectively. As the impact was not material, the interest expense for the comparable period has not been affected.

IAS 1, Presentation of Financial Statements

The Company has adopted the amendments to IAS 1 effective January 1, 2013. These amendments required the Company to group other comprehensive income items with those that will be reclassified subsequently to profit or loss and those that will not be reclassified. The Company has reclassified comprehensive income items of the comparative period. These changes did not result in any adjustments to other comprehensive income or to comprehensive income.

IAS 36, Impairment of Assets

This amendment removed certain disclosures of the recoverable amount of CGUs which had been included in IAS 36 by the issue of IFRS 13. The amendment is not mandatory until January 1, 2014; however, the Company has decided to early adopt the amendment as at January 1, 2013.

Recent accounting pronouncements not yet adopted

IFRS 9, "Financial Instruments", as issued, reflects the current status of the IASB's work plan on the replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities, as defined in IAS 39. The IASB is also addressing hedge accounting and impairment of financial assets. In December 2013, the IASB removed the mandatory effective date of IFRS 9 until all phases of the project have been completed. The mandatory effective date has yet to be determined; however, it has been deferred beyond annual periods beginning on or after January 1, 2015.

IFRS 7, "Financial Instruments: Disclosures'', was amended to require additional disclosures on transition from IAS 39 to IFRS 9. This amendment will be effective for the annual periods beginning on or after January 1, 2017.

IFRIC 21, 'Levies', sets out the accounting for an obligation to pay a levy that is not income tax. The interpretation addresses what the obligating event is that gives rise to paying a levy and when a liability should be recognized.

The Company has not yet quantified the effect of the published phases of these Standards nor does it intend at this time to early adopt these Standards until the mandatory effective date.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

3 Critical accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical trends and other factors, including expectations of future events that are likely to materialize under reasonable circumstances.

Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Other identifiable intangible assets and goodwill

Identifiable intangible assets and goodwill, excluding software and non-competition agreements, represented $855.4 of total assets on the consolidated statement of financial position as at December 31, 2013 ($836.6 as at December 31, 2012). These assets arise out of business combinations and the Company applies the acquisition method of accounting to these transactions. In measuring the fair value of the assets acquired and the liabilities assumed and estimating their useful lives, Management used significant estimates and assumptions regarding cash flow projections, economic risk and weighted cost of capital.

These estimates and assumptions determine the amount allocated to other identifiable intangible assets and goodwill, as well as the amortization period for identifiable intangible assets with finite lives. If results differ from estimates, the Company may increase amortization or impairment charges.

Claims provisions

In the normal course of business the Company faces legal proceedings for work carried out on projects. The Company has professional liability insurance in order to manage risks related to such proceedings. Management estimates the claims provisions, based on advice and information provided by its legal advisors and on its own past experience in the settlement of similar proceedings. Final settlements could have an effect on the financial position or operating results of the Company.

Retirement benefit obligations and related deferred tax

The present value of obligations is calculated on an actuarial basis which depends on a number of assumptions relating to the future. These key assumptions are assessed regularly according to market conditions and data available to Management. Additional details are given in note 16.

(in millions of Canadian dollars, except the number of shares and per share data and unless otherwise stated)

Current Income Taxes

The Company is subject to income tax laws and regulations in several jurisdictions. An estimate is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due in the future. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Critical judgements in applying the Company's accounting policies

Costs and anticipated profits in excess of billings

The Company values its costs and anticipated profits in excess of billings based on the time and materials charged into each project. Costs and anticipated profits in excess of billings for each project are reviewed on a monthly basis to determine whether the amount is a true reflection of the amount that will be invoiced on the project. Where the review determines that the value of costs and anticipated profits in excess of billings exceed the amount that can be invoiced, adjustments are made to the costs and anticipated profits in excess of billings. The valuation of costs and anticipated profits in excess of billings involves estimates of the volume of work required to complete the project. Changes in the estimation of work required to complete the projects could lead to the undervaluation or overvaluation of costs and anticipated profits in excess of billings.

Deferred Tax Assets

The assessment of the probability of future taxable income in which deferred tax assets can be utilized is based on the Company's most recent approved budget forecast, which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. The tax rules in the numerous jurisdictions in which the Company operates are also carefully taken into consideration. If a forecast of taxable income indicates the probable use of a deferred tax asset, especially when it can be utilized without a time limit, this deferred tax asset is usually recognized in full. The recognition of deferred tax assets that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances.

4 Business acquisitions

The acquisitions have been accounted for using the acquisition method, and the operating results have been included in the consolidated financial statements from the date of acquisition. If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company will report provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and

circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date.

The measurement period is the period from the date of acquisition to the date the Company obtains complete information about facts and circumstances that existed as of the acquisition date and is subject to a maximum of one year.

2013 Transactions

There were no significant acquisitions during 2013.

2012 Transactions

a) Acquisition of WSP Group plc

On August 1, 2012, the Company concluded the transaction pertaining to the acquisition of WSP Group plc for consideration as noted below.

Consideration as at August 1, 2012

	$
Cash transferred	405.0
Fair value of equity interest held before the business combination	32.6
Total consideration	437.6

In 2013, the Company finalized the assessment of the fair values of the assets acquired and liabilities assumed related to this acquisition.

The final determination of the fair values required some minor adjustments to the preliminary assessments as shown below. The 2012 comparative figures have been adjusted to reflect these changes. The Company also determined that the impact on net earnings as a result of these adjustments was not material to the periods subsequent to the acquisition date, and as such, were accounted for in their respective period's consolidated statement of earnings.

The table below presents Management's final assessment of the fair values of the assets acquired and the liabilities assumed. Management was assisted by an independent valuator.

(in millions of Canadian dollars, except the number of shares and per share data and unless otherwise stated)

	Preliminary $	Adjustments $	Final $
Assets acquired			
Current assets	409.6	2.9	412.5
Investment in associates	24.7	-	24.7
Property, plant and equipment			
Land and buildings	0.9	-	0.9
Leasehold improvements	7.3	-	7.3
Furniture and equipment	10.2	-	10.2
Computer equipment	17.6	-	17.6
Intangible assets	96.0	-	96.0
Deferred income tax assets	26.9	1.6	28.5
	593.2	4.5	597.7
Goodwill	459.8	3.3	463.1
	1,053.0	7.8	1,060.8
Liabilities assumed			
Current liabilities	312.9	7.8	320.7
Long-term financial liabilities	164.1	-	164.1
Retirement benefit obligations	106.5	-	106.5
Deferred income tax liabilities	29.8	-	29.8
Non-controlling interest	2.1	-	2.1
	615.4	7.8	623.2
Consideration	437.6	-	437.6

Goodwill is attributable to the workforce of the acquired business and the synergies expected to arise with the Company after the acquisition. None of the goodwill recognized is expected to be deductible for income tax purposes.

The receivables acquired (which mainly comprise trade receivables) had a fair value of $207.5 and a gross contractual amount of $246.6.

At the acquisition date, the acquired company had a committed syndicated facility amounting to $238.2 (£152.5). WSP Group plc also had some additional minor facilities with local relationship banks in the countries in which it operates. The main credit facility was closed shortly after the acquisition.

Acquisition-related costs of $12.3 were expensed and included in the other operational costs in 2012.

The acquired business contributed revenues of $545.1 and net earnings of $16.6 from August 1, 2012, to December 31, 2012. If the acquisition of WSP Group plc had occurred on January 1, 2012, the Company's revenues and net earnings for the year would have increased to $1,972.7 and to $62.2, respectively.

b) Other acquisitions made by the Company in 2012

In 2012, the Company acquired directly or with a structured entity controlled by the Company all of the outstanding shares of Consultores Regionales Asociados – CRA S.A.S ("CRA"), Les Investissements R.J. Inc. ("Investissements R.J."), GRB Engineering Ltd. ("GRB"), Smith Carter Architects and Engineers Inc. and of Smith Carter (USA) LLC, collectively "Smith Carter", and North 46 Architecture Inc. ("North 46").

The final assessment of the fair values of the assets acquired and liabilities assumed of CRA, Investissements R.J., GRB, Smith Carter and North 46 was completed by Management, which was assisted by an independent valuator for the CRA, GRB and Smith Carter assessments. None of these acquisitions were individually material, therefore the Company has chosen to disclose the required information in aggregates.

(in millions of Canadian dollars, except the number of shares and per share data and unless otherwise stated)

	$
Assets acquired	
Current assets	21.3
Property, plant and equipment	12.6
Intangible assets	3.8
	37.7
Goodwill	28.1
	65.8
Liabilities assumed	
Current liabilities	15.9
Long-term debts	7.6
Deferred income tax liabilities	2.2
	25.7
Consideration	40.1
Less:	
Net cash acquired	(2.6)
Notes payable	(7.7)
74,707 common shares issued*	(1.8)
Net cash used for the acquisitions	28.0

* The shares issued were valued using the closing price at the acquisition date, less issuance-related costs.

Goodwill is attributable to the workforce of the acquired businesses and the significant synergies expected to arise, after the acquisitions, with the Company's current market segments. Out of the goodwill recognized, an amount of $4.0 should be deductible for income tax purposes.

The aggregated acquired businesses, excluding WSP Group plc, contributed revenues of $47.4 to the Company's results, from the date of their acquisitions to December 31, 2012. If these acquisitions had occurred on January 1, 2012, the Company's revenues for the year would have increased to $1,265.2. The Company integrates the operations and systems of these businesses shortly after their acquisition. Therefore, it is impracticable for the Company to disclose these acquired businesses' net earnings since the acquisition date.

The receivables acquired (which principally comprise trade receivables) had a fair value of $12.2, which is similar to the gross contractual amount.

(in millions of Canadian dollars, except the number of shares and per share data and unless otherwise stated)

These acquired companies had available credit facilities amounting to $2.5 at the time of their acquisition. Out of these credit facilities, $0.2 was still available as at December 31, 2012 and were cancelled in 2013.

As at December 31, 2013 and 2012, no amounts were recognized in the consolidated statements of earnings for the contingent consideration arrangements recognized in previous periods as there were no changes in fair value.

5 Joint arrangements

The Company holds interests in various joint arrangements. The lists below present the most significant ones that have been identified and classified as joint operations.

2013

Name	Interest	Country	Main activity
Consortium GENIVAR / AECOM TECSULT	55%	Canada	Engineering services
Consortium GENIVAR / DESSAU / ROCHE	40%	Canada	Engineering services
Consortium GENIVAR / DESSAU	50%	Canada	Engineering services
Groupement SLG	43%	Canada	Engineering services
Consortium SNC-LAVALIN / CIMA+ / GENIVAR	33%	Canada	Engineering services
GENIVAR / WASKA	80%	Canada	Engineering services
Consortium GROUPE ARCOP/GERSOVITZ MOSS ARCHITECTS	50%	Canada	Architecture services
Consortium GENIVAR / AECOM	75%	Canada	Engineering services
Consortium AXOR / GENIVAR	49%	Canada	Engineering services
Consortium BPR / GENIVAR	50%	Canada	Engineering services
Carillion WSP	40%	England	Engineering services
WSP May Gurney	50%	England	Engineering services
Barhale WSP	35%	England	Engineering services
KAWSP	40%	Qatar	Engineering services
HGC CONSORTIUM	55%	Colombia	Engineering services

(in millions of Canadian dollars, except the number of shares and per share data and unless otherwise stated)

2012

Name	Interest	Country	Main activity
Consortium GENIVAR / AECOM TECSULT	55%	Canada	Engineering services
Consortium GENIVAR / DESSAU / ROCHE	40%	Canada	Engineering services
Consortium GENIVAR / DESSAU	50%	Canada	Engineering services
Consortium GENIVAR / CIMA+ / DESSAU	33%	Canada	Engineering services
Groupement SLG	43%	Canada	Engineering services
Consortium SNC-LAVALIN / CIMA+ / GENIVAR	33%	Canada	Engineering services
Consortium SNC-LAVALIN / CIMA+ / GENIVAR	33%	Canada	Engineering services
GENIVAR / WASKA	80%	Canada	Engineering services
Consortium GENIVAR / CIMA+ / DESSAU-SOPRIN	33%	Canada	Engineering services
GENIVAR / NUVUMIUT	50%	Canada	Engineering services
The ARCOP Group / Gersovitz Moss Architects	50%	Canada	Architecture services
Consortium ROCHE / GENIVAR	50%	Canada	Engineering services
TWSP	50%	Australia	Engineering services
Carillion WSP	40%	England	Engineering services
WSP May Gurney	50%	England	Engineering services
Barhale WSP	35%	England	Engineering services
KAWSP	40%	Qatar	Engineering services

There are no significant contingent liabilities relating to the Company's interest in the above identified joint operations, and no contingent liabilities of the venture itself.

The Company also has a 50% interest in a joint arrangement which has been identified and classified as a joint venture, which is accounted for using the equity method (note 8).

(in millions of Canadian dollars, except the number of shares and per share data and unless otherwise stated)

6 Cash and cash equivalents

	December 31, 2013 $	December 31, 2012 $
Cash		
Cash at banks and on hand	131.9	127.7
Cash and cash equivalents		
Less: Bank overdraft (note 15)	(31.8)	(6.4)
Cash and cash equivalents less bank overdraft	100.1	121.3

As at December 31, 2013, and 2012, the Company has set aside in a bank account an amount of $2.6 as a security for the payment and performance of its guarantor's obligations for a joint venture (note 8). As at December 31, 2013, the Company also has restricted cash of $4.4 ($3.3 in 2012) that was deposited as collateral for borrowing, letters of credit and commitments. This cash is not available for general operating purposes.

7 Trade, prepaid and other receivables

	December 31, 2013 $	December 31, 2012 $
Trade receivables	423.8	421.6
Allowance for doubtful accounts	(7.8)	(4.2)
Net trade receivables*	416.0	417.4
Amounts due from joint ventures and associates undertaking	9.9	2.1
Other receivables*	20.9	15.7
Prepaid expenses	36.5	31.5
	483.3	466.7

* Net trade receivables and other receivables include holdbacks amounting to $6.0 ($4.9 as at December 31, 2012).

(in millions of Canadian dollars, except the number of shares and per share data and unless otherwise stated)

The aging of gross trade receivables past due was as follows:

	December 31, 2013 $	December 31, 2012 $
Past due 0-30 days	76.5	75.3
Past due 31-60 days	35.3	33.3
Past due 61-90 days	20.1	18.1
Past due 91-180 days	28.4	28.8
Past due over 180 days*	36.4	45.8
Balance – End of year	196.7	201.3

* This age group includes some accounts that were acquired as part of business acquisitions for which purchase adjustment clauses were signed. As well, the 2012 figure included accounts from one government agency in the sum of $13.2, which was collected in full in 2013.

Allowance for doubtful accounts

The changes in the allowance for doubtful accounts were as follows:

	2013 $	2012 $
Balance – Beginning of year	4.2	5.3
Adjustments of allowance	3.3	(0.8)
Exchange differences	0.3	(0.3)
Balance – End of year	7.8	4.2

The Company is exposed to credit risk with respect to its trade receivables and maintains provisions for potential credit losses. Potential for such losses is mitigated because customer creditworthiness is evaluated before credit is extended and there is no significant exposure to a single customer.

(in millions of Canadian dollars, except the number of shares and per share data and unless otherwise stated)

8 Other assets

	December 31, 2013 $	December 31, 2012 $
Deferred financing fees	2.6	1.9
Investments		
Investment in associates*	32.1	28.5
Investment in a joint venture	1.2	2.0
Financial assets available for sale	1.5	1.3
	37.4	33.7

* The Company has interests in two individually immaterial associates, Multiconsult AS and LINK Arkitketur AB, in which it ultimately holds a 24.7% and a 27.9% interest. Both associates are located in Norway and provide consulting services comparable to the Company. The interests in these two associates are accounted for using the equity method.

	December 31, 2013 $	December 31, 2012 $
Balance – Beginning of year	28.5	-
Business acquisition (note 4 a))	-	24.7
Share of net earnings from continuing operations and comprehensive income	5.2	1.9
Dividends received from associates	(1.7)	-
Exchange differences	0.1	1.9
Balance – End of year	32.1	28.5

(in millions of Canadian dollars, except the number of shares and per share data and unless otherwise stated)

9 Property, plant and equipment

	Land and buildings $	Leasehold improvements $	Furniture and equipment $	Computer equipment $	Total $
Balance as at January 1, 2012	13.1	8.8	19.8	20.5	62.2
Cost					
Accumulated depreciation	(1.7)	(4.1)	(8.1)	(9.0)	(22.9)
Net value	11.4	4.7	11.7	11.5	39.3
Additions	-	3.8	5.1	7.7	16.6
Additions through business acquisitions (note 4a) et b))	11.5	7.6	11.2	18.3	48.6
Disposals	-	-	(0.9)	(0.5)	(1.4)
Depreciation for the year	(0.7)	(2.2)	(5.2)	(8.1)	(16.2)
Exchange differences	-	0.1	0.6	0.5	1.2
	10.8	9.3	10.8	17.9	48.8
Balance as at December 31, 2012	22.2	14.0	22.5	29.4	88.1
Balance as at December 31, 2012					
Cost	24.7	19.6	35.3	46.2	125.8
Accumulated depreciation	(2.5)	(5.6)	(12.8)	(16.8)	(37.7)
Net value	22.2	14.0	22.5	29.4	88.1
Additions	0.3	3.8	9.0	9.2	22.3
Additions through business acquisitions	0.4	-	0.2	0.3	0.9
Disposals	-	(0.2)	(0.6)	(0.3)	(1.1)
Depreciation for the year	(0.6)	(3.7)	(9.5)	(10.9)	(24.7)
Transfers	-	-	6.2	(6.2)	-
Exchange differences	-	0.3	0.8	0.8	1.9
	0.1	0.2	6.1	(7.1)	(0.7)
Balance as at December 31, 2013	22.3	14.2	28.6	22.3	87.4
Balance as at December 31, 2013					
Cost	25.4	23.3	54.0	43.4	146.1
Accumulated depreciation	(3.1)	(9.1)	(25.4)	(21.1)	(58.7)
Net value	22.3	14.2	28.6	22.3	87.4

(in millions of Canadian dollars, except the number of shares and per share data and unless otherwise stated)

10 Intangible assets

	Software $	Contract backlogs $	Customer relationships $	Non-competition agreements $	Trade names $	Total $
Balance as at January 1, 2012						
Cost	23.1	4.7	91.2	2.7	4.6	126.3
Accumulated amortization	(11.8)	(2.3)	(34.5)	(1.7)	-	(50.3)
Net value	11.3	2.4	56.7	1.0	4.6	76.0
Additions	2.8	-	-	0.2	-	3.0
Additions through business acquisitions (note 4a) and b))	13.7	20.2	21.4	-	44.5	99.8
Amortization for the year	(7.3)	(5.0)	(11.6)	(0.7)	-	(24.6)
Exchange differences	0.6	0.3	0.3	-	1.7	2.9
	9.8	15.5	10.1	(0.5)	46.2	81.1
Balance as at December 31, 2012	21.1	17.9	66.8	0.5	50.8	157.1
Balance as at December 31, 2012						
Cost	40.0	23.6	112.8	2.4	50.8	229.6
Accumulated amortization	(18.9)	(5.7)	(46.0)	(1.9)	-	(72.5)
Net value	21.1	17.9	66.8	0.5	50.8	157.1
Additions	16.2	-	-	-	-	16.2
Amortization for the year	(12.8)	(7.7)	(13.2)	(0.3)	-	(34.0)
Exchange differences	0.9	0.9	1.3	-	4.0	7.1
	4.3	(6.8)	(11.9)	(0.3)	4.0	(10.7)
Balance as at December 31, 2013	25.4	11.1	54.9	0.2	54.8	146.4
Balance as at December 31, 2013						
Cost	51.7	20.6	112.9	0.8	54.8	240.8
Accumulated amortization	(26.3)	(9.5)	(58.0)	(0.6)	-	(94.4)
Net value	25.4	11.1	54.9	0.2	54.8	146.4

The carrying amount of intangible assets assessed as having an indefinite useful life, which consists of the trade names, is $54.8 as at December 31, 2013 ($50.8 in 2012).

During the year, the Company acquired intangible assets amounting to $16.2 ($56.6 in 2012), all of which are subject to amortization.

11 Goodwill

	2013 $	2012 $
Balance – Beginning of year	701.1	199.7
Goodwill resulting from business acquisitions (note 4a) and b))	0.6	491.2
Exchange differences	32.9	10.2
Balance – End of year	734.6	701.1

As at December 31, 2013, goodwill amounting to $61.8 ($61.8 as at December 31, 2012) is deductible for income tax purposes.

Goodwill amounting to $734.6 ($701.1 as at December 31, 2012) and trade name amounting to $4.6 ($4.6 in 2012) are allocated to the Company's CGUs. The WSP Group plc trade name was not allocated to a specific CGU since it is considered to be a corporate asset. The carrying value of goodwill and trade name by CGU are identified in the table below:

	December 31, 2013 $	December 31, 2012 $
Goodwill and trade name allocated to CGU		
Canada	229.0	228.4
United States	93.4	88.0
United Kingdom	117.9	107.6
Northern Europe	243.8	224.9
Rest of the World	55.1	56.8
	739.2	705.7
WSP trade name	50.2	46.2
Total of goodwill and trade names	789.4	751.9

Impairment test of goodwill and trade names

The Company performed its annual impairment test for goodwill and trade names in the last quarter of 2013 and 2012 in accordance with its policy described in note 2. The recoverable value of each CGU exceeded their carrying values. As a result, no goodwill impairment was recorded.

(in millions of Canadian dollars, except the number of shares and per share data and unless otherwise stated)

Valuation technique

Fair value less costs of disposal

The recoverable value of each CGU was based on fair value less costs of disposal. The following methodology and assumptions were applied to determine the fair value less costs of disposal for all CGUs.

The fair value less costs of disposal is calculated using the budgeted 2014 revenues and EBITDA margin and a constant growth for the next four years by the CGU. The EBITDA is defined as earnings before financial expenses, taxes, depreciation and amortization. The Company considered past experience, economic trends as well as industry and market trends in assessing if the level of EBITDA can be maintained in the future. For the purpose of this test, Management used a 5-year period to project future cash flows. Beyond this period, the Company uses a growth rate varying between 2.0% to 5.0% with an EBITDA margin varying between 6.8% and 12.3%. The Company also uses a discount rate varying between 9.5% and 11.1%. The discount rate represents the weighted average cost of capital ("WACC"). The WACC is an estimate of the overall rate of return required by debt and equity holders on their investments. Determining the WACC requires analyzing the cost of equity and debt separately, and takes into account a risk premium that is based on the applicable CGU. Costs of disposal are calculated based on 1% of the total fair value so determined, which is in line with the transaction costs incurred in comparable transactions.

12 Credit facilities

On June 7, 2012, the Company signed new credit facilities with a syndicate of financial institutions providing for committed revolving credit facilities in the maximum amount of $400.0. The credit facilities are available (i) for general corporate purposes, working capital and capital expenditure requirements of the Company and (ii) for financing future business acquisitions.

The revolving credit facilities had an original four-year term maturing in June 2016. On December 31, 2013, the revolving credit facilities agreement was amended to extend the maturity date to December 31, 2018. After the maturity date, the term can be extended each year for an additional one-year period, subject to the approval of the lenders.

The credit facilities are secured by a first ranking hypothec over the universality of the movable assets of the Company and some of its subsidiaries. The credit facilities bear interest at Canadian prime rate, US-based rate and LIBOR plus an applicable margin up to 2.5% that will vary depending on the type of advances and the Company’s ratios, as defined in the agreement. The Company shall pay a commitment fee on the available credit facilities.

Under these credit facilities, the Company is required, among other conditions, to respect certain covenants on a consolidated basis. The main covenants are in regard to its consolidated funded debt to consolidated EBITDA and the fixed charge coverage ratios, which are non-IFRS measures. The consolidated funded debt includes bank overdraft, loan payable, notes payable and balances payable to former shareholders, including their current portions, bank advances less cash and cash equivalent. The fixed charge coverage ratio is defined as the consolidated earnings before financial expense and income taxes on the total consolidated interest expense. Management reviews

compliance with these covenants on a quarterly basis in conjunction with filing requirements under its credit facilities. All covenants have been met as at December 31, 2013.

As at December 31, 2013, the Company had available other operating lines of credit amounting to $15.9 ($8.8 in 2012), of which $9.8 ($1.4 in 2012) were unused at year-end. As well, the Company had a bank overdraft (note 6) which may decrease the amount available of these credit facilities.

Under the credit facilities, the Company may issue irrevocable letters of credit up to $40.0, decreasing the amount available on such credit facilities. The Company issued, in the normal course of business, irrevocable letters of credit totaling $6.0 as at December 31, 2013 ($3.6 in 2012) from its own commitments, thus decreasing such available credit facilities.

Revolving credit facility allocation by borrowed currency:

	December 31, 2013 $	December 31, 2012 $
Sterling	129.2	125.3
US dollar	50.6	47.4
Canadian dollar	-	40.0
	179.8	212.7

13 Accounts payable and accrued liabilities

	December 31, 2013 $	December 31, 2012 $
Trade payables	95.0	91.4
Employee benefits payable	111.3	123.1
Sale taxes	24.4	23.5
Accrued expenses and other payables	97.6	83.3
Provisions	46.6	46.6
	374.9	367.9
Less: Non-current provisions	7.0	6.9
Accounts payable and accrued liabilities	367.9	361.0

(in millions of Canadian dollars, except the number of shares and per share data and unless otherwise stated)

The following table presents the movement in provisions for the years ended December 31, 2013 and 2012.

	Claims provisions $	Property provisions $	Total $
Balance as at January 2012	2.2	-	2.2
Business acquisitions	24.5	15.3	39.8
Additional provision	6.5	1.2	7.7
Paid or otherwise settled*	(3.2)	(1.2)	(4.4)
Exchange differences	0.9	0.4	1.3
Balance as at December 31, 2012	30.9	15.7	46.6
Additional provision	5.0	(1.4)	3.6
Paid or otherwise settled*	(5.9)	(0.8)	(6.7)
Exchange differences	2.1	1.0	3.1
Balance as at December 31, 2013	32.1	14.5	46.6

* Out of this amount, the Company received a reimbursement of $1.5 ($1.7 in 2012) from its insurance company.

The property provisions relate to the rent, service charge and other associated costs relating to properties that are vacant.

(in millions of Canadian dollars, except the number of shares and per share data and unless otherwise stated)

14 Long-term debts

	December 31, 2013 $	December 31, 2012 $
Mortgage bearing interest at 5.75%, payable in monthly instalments of less than $0.1 including principal and interest, secured by a hypothec over land and building with a net book value of $10.2, renewable in January 2015	6.5	6.7
Debts bearing interest at Colombia's prime rate plus a margin varying from 6.1% to 7.6%, maturing between February 2014 and January 2015	1.1	2.1
Other long-term debts	1.8	4.5
	9.4	13.3
Less: Current portion	1.5	4.6
	7.9	8.7

The instalments due on long-term debts over each of the next two years amount to $1.5 in 2014, $7.9 in 2015.

15 Other financial liabilities

	December 31, 2013 $	December 31, 2012 $
Bank overdraft	31.8	6.4
Notes payable*	4.5	13.6
Balances payable to former shareholders	0.1	2.5
Obligations under finance leases	11.4	0.6
Other obligations	0.5	0.7
	48.3	23.8
Less: Current portion	41.6	22.6
	6.7	1.2

* Notes payable to the vendors in business acquisitions bear interest at fixed rate varying from 3.0% to 5.0%, prime rate or are without interest. As at December 31, 2013, the prime rate was 3.0% (3.0% in 2012).

The instalments due on financial liabilities over each of the next three years amount to $41.6 in 2014, $6.0 in 2015 and $0.7 in 2016.

(in millions of Canadian dollars, except the number of shares and per share data and unless otherwise stated)

16 Pensions schemes

Pension costs included in personnel costs consist of the following:

	2013 $	2012 $
Defined benefit schemes	0.6	0.4
Defined contribution schemes	55.7	24.4
	56.3	24.8

The Company operated both defined contribution and defined benefit pension schemes. Defined contributions are charged to the consolidated statements of earnings as they are incurred.

In Canada, the Company has defined contribution retirement savings plans for its employees. Pursuant to these plans, the Company pays a contribution equivalent to the employee contribution up to a maximum varying from 3% to 5% of the employee's salary. An employee acquires the whole employer contributions after two years of continuous service or if he loses his job due to a layoff resulting from a lack of work.

In the United Kingdom, there are five separate defined benefit schemes, all of which are closed to new members. The assets of the schemes are held separately from those of the Company in independently administered funds. Pensionable salaries are frozen following consultation with staff.

In Sweden, a proportion of the multi-employer Government-run defined benefit plan is carried on the Company's consolidated statement of financial position. Future service accrual under this arrangement ceased in 2008 where the employees became fully included in the Government plan's arrangements. The multi-employer Government plan retains substantial other assets to meet the balance of pension liabilities. As the directors are unable to identify the underlying assets and liabilities of this element of the scheme, it is treated as a defined contribution scheme for the purposes of IAS 19 "Employee Benefits."

For funded and unfunded defined benefit plans, any deficit of the fair value of plan assets over the present value of the defined benefit obligation is recognized as a liability in the consolidated statement of financial position. Actuarial gains and losses are recognized in full as they arise in the consolidated statement of comprehensive income. These reflect changes in actuarial assumptions, and differences between actuarial assumptions and what has actually occurred.

The actuarial cost charged to the consolidated statements of earnings in respect of defined benefit plans consists of current service costs, finance expense, expected return on plan assets, past service costs and costs of curtailments.

The liabilities of the Company arising from defined benefit obligations and their related current service cost are determined using the projected unit credit method. Valuations are performed annually. Actuarial advice is provided by both external consultants and actuaries. The actuarial assumptions

used to calculate the benefit obligations vary according to the economic conditions of the country in which the plan is located and are set out below. To develop the expected long-term rate of return on assets assumption, the Company considered the current level of expected returns on risk-free investments (primarily UK government bonds) and the historical level of risk premium associated with the other asset classes in which the portfolio is invested. The expected return for each asset class was then applied to the schemes' asset allocations to develop the overall expected long-term rate of return on assets for the combined portfolios.

Assumptions

	December 31, 2013	December 31, 2012
United Kingdom		
Rate of increase in pensionable salaries	-	-
Rate of increase in pensions in payment	3.8%	3.1%
Discount rate	4.5%	4.3%
Inflation assumption	3.0% to 3.7%	2.4% to 3.2%
Life expectancy at age 65 (for member currently aged 65)		
- Men	87.7	87.6
- Women	90.1	90.0
Life expectancy at age 65 (for member currently aged 50)		
- Men	89.2	89.1
- Women	91.5	91.4
Sweden		
Rate of increase in pensionable salaries	-	-
Rate of increase in pensions in payment	-	-
Discount rate	4.2%	3.5%
Inflation assumption	2.0%	2.0%
Life expectancy at age 65 (for member currently aged 65)		
- Men	88.0	88.0
- Women	90.0	90.0
Life expectancy at age 65 (for member currently aged 50)		
- Men	87.0	87.0
- Women	89.0	89.0

(in millions of Canadian dollars, except the number of shares and per share data and unless otherwise stated)

The major categories of plan assets are as follows:

	December 31, 2013		December 31,2012	
	Fair value $	**%**	**Fair value $**	**%**
Equities	52.2	39	37.5	34
Bonds	46.9	35	67.3	61
Others	34.9	26	5.6	5

As at December 31, 2013 approximately 40% of the plan assets are directly invested in publically traded securities. As well, the plan invests in pooled funds which are not publically traded but have underlying securities which are publically traded – including these pooled funds, approximately 90% of the plan assets could be considered publically traded securities.

	December 31, 2013 $	**December 31, 2012 $**
Fair value of plan assets	134.0	110.4
Present value of funded obligations (United Kingdom)	(200.2)	(178.7)
	(66.2)	(68.3)
Present value of unfunded obligations (Sweden)	(38.2)	(37.1)
Pension liability	(104.4)	(105.4)

Amounts recognized in the consolidated statements of earnings are as follows:

	2013 $	**2012 $**
Current service costs	0.6	0.4
Employee benefit costs	0.6	0.4

	2013 $	**2012 $**
Interest expenses	8.8	3.7
Expected return on plan assets	(4.8)	(2.2)
Net finance expenses on pension obligations	4.0	1.5

(in millions of Canadian dollars, except the number of shares and per share data and unless otherwise stated)

Changes in the present value of the defined benefit obligation are as follows:

	2013 $	2012 $
Present value of obligation – Beginning balance	215.8	209.3
Current service cost	0.6	0.4
Contributions from scheme members	0.3	0.1
Benefits paid	(6.3)	(3.4)
Interest expenses	8.8	3.7
Actuarial loss/(gain) (assumptions)	0.5	(2.5)
Actuarial gain (experience)	(0.3)	(0.4)
Foreign exchange differences	19.0	8.6
Present value of obligation – End of year	238.4	215.8

Changes in the fair value of plan assets are as follows:

	2013 $	2012 $
Fair value of plan assets – Beginning balance	110.4	102.8
Expected return on plan assets	4.8	2.2
Contributions from scheme members	0.3	0.1
Contributions from employer	7.6	3.8
Benefits paid	(5.7)	(3.2)
Actuarial gain (experience)	5.8	0.6
Foreign exchange differences	10.8	4.1
Fair value of plan assets – End of year	134.0	110.4

Analysis of the movement in net deficit

	2013 $	2012 $
Beginning balance	105.4	106.5
Employee benefit costs	0.6	0.4
Net interest expenses	4.0	1.5
Benefits paid	(0.6)	(0.2)
Contributions from employer	(7.6)	(3.8)
Net actuarial gain recognized in the period	(5.6)	(3.5)
Foreign exchange movements	8.2	4.5
End of year	104.4	105.4

(in millions of Canadian dollars, except the number of shares and per share data and unless otherwise stated)

	2013 $	2012 $
Present value of scheme assets	134.0	110.4
Fair value of scheme liabilities	(238.4)	(215.8)
Deficit	104.4	105.4

Cumulative actuarial gains recognized in equity are as follows:

	2013 $	2013 $
Beginning balance	3.5	-
Net actuarial gain recognized in the year	5.6	3.5
Balance – End of year	9.1	3.5

Sensitivity analysis of the overall pension deficit to changes in principal assumptions is shown below:

Assumption	Change	Impact on deficit
Discount rate	+/- 0.1%	Decrease/increase $4.2
Inflation rate	+/- 0.1%	Decrease/increase $1.8
Mortality	+/- 1 year	Decrease/increase $6.7

The combined employee and employer contributions expected to be paid during the financial year ending December 31, 2014, amount to approximately $8.0.

(in millions of Canadian dollars, except the number of shares and per share data and unless otherwise stated)

17 Share capital

Authorized

An unlimited number of common shares without par value, voting and participating.

An unlimited number of preferred shares without par value, participating, issuable in series.

Issued and paid

	Common shares	
	Number	**$**
Balance as at January 1, 2012	32,637,916	484.3
Shares issued in business acquisitions (note 4a) and b))	74,707	1.8
Shares issued*	150,651	4.1
Shares issued related to an equity private placement and a bought deal**	17,585,610	399.9
Shares issued under the DRIP	607,557	13.2
Balance as at December 31, 2012	51,056,441	903.3
Shares issued under the DRIP (note 21)	1,324,622	31.1
Balance as at December 31, 2013	52,381,063	934.4

* The Company issued a total of 150,651 common shares for proceeds of $4.1, net of issuance-related costs.

** In connection with the acquisition of WSP Group plc, the Company entered into an agreement with a syndicate of underwriters to sell 9,375,000 subscription receipts from treasury. Each subscription receipt represented the holder's right to receive, without payment of additional consideration, one common share of the issuer. The Company had completed its offering on June 27, 2012, at an individual price of $24.00 for gross proceeds of $225.0. Following the conclusion of the acquisition on August 1, 2012, each subscription receipt was automatically exchanged for one common share of the Company.

On June 27, 2012, the Company also entered into subscription agreements whereby the Canada Pension Plan Investment Board ("CPPIB") and the Caisse de dépôt et placement du Québec (the "Caisse") purchased, on a private placement basis, 8,210,610 subscription receipts. On August 1, 2012, the Company issued 8,210,610 common shares in exchange for the concurrent placement subscription receipts for gross proceeds of $197.1.

Total issuance-related costs of these transactions of $18.3 less deferred income tax assets of $2.7 are accounted for against the gross proceeds.

The holders of the subscription receipts and the placement subscription receipts were also entitled to receive an equivalent of the dividend declared on May 9, 2012. At the conclusion of the acquisition, they received a dividend equivalent payment of $6.6, of which $3.1 was reinvested in 144,393 common shares of the Company under the dividend reinvestment plan ("DRIP"). The dividend equivalent payment is presented against the net proceeds.

As at December 31, 2013, and 2012, no preferred shares were issued.

(in millions of Canadian dollars, except the number of shares and per share data and unless otherwise stated)

18 Capital management

The Company's primary objectives when managing capital structure are as follows:

- maintain financial flexibility in order to meet financial obligations, to provide dividends, to execute growth plan and to continue growth through business acquisitions;
- manage the Company's activities in a responsible way in order to provide an adequate return for its shareholders; and
- comply with financial covenants required under the credit facilities.

For capital management, the Company has defined its capital as the combination of loan payable, long-term debts, bank advances, non-controlling interest and shareholders' equity, net of cash, cash equivalents and bank overdraft. The non-recourse debts are excluded.

	2013 $	2012 $
Long-term debts	9.4	13.3
Loan payable	4.6	5.0
Bank advances	179.8	212.7
Shareholders' equity	974.3	917.1
Non-controlling interest	(0.7)	2.0
	1,167.4	1,150.1
Less: Cash and cash equivalents less bank overdraft	(100.1)	(121.3)
	1,067.3	1,028.8

The Company's financing strategy is to maintain a flexible structure consistent with the objectives stated above, to respond adequately to changes in economic conditions and to allow growth through business acquisitions. The Company monitors its capital structure using the consolidated funded debt to consolidated EBITDA ratio. This ratio is used to determine what would be the maximum debt level.

In order to maintain and adjust its capital structure, the Company may issue new shares in the market, contract bank advances and negotiate new credit facilities. In August 2012, the Company issued 17,585,610 shares through an equity private placement and a bought-deal. The net proceeds were used to finance the consideration and the related expenses for the WSP Group plc acquisition.

(in millions of Canadian dollars, except the number of shares and per share data and unless otherwise stated)

19 Net finance expenses

	2013 $	2012 $
Interest on bank advances	7.0	3.2
Interest on notes payable and on balances payable to former shareholders	-	1.1
Net finance expenses on pension obligations	4.0	1.5
Exchange loss on liabilities in foreign currencies	1.6	0.5
Other interest and bank charges	2.5	3.1
Interest income	(2.6)	(1.0)
	12.5	8.4

20 Income taxes

The components of income tax expenses (recovery) for 2013 and 2012 were as follows:

	2013 $	2012 $
Current tax		
Current tax on earnings for the year	24.9	19.4
Adjustments in respect of prior years	3.0	(2.3)
Total current tax	27.9	17.1
Deferred tax		
Origination and reversal of temporary differences	(2.7)	(4.9)
Impact of change in tax rates	0.8	(3.9)
Adjustments in respect of prior years	(3.7)	2.4
Total deferred tax	(5.6)	(6.4)
Total income tax expenses	22.3	10.7

Deferred income tax assets related to the issuance-related costs of an equity private placement and a bought-deal in August 2012 amounting to $2.7.

(in millions of Canadian dollars, except the number of shares and per share data and unless otherwise stated)

The reconciliation of the difference between the income tax expenses using the domestic statutory tax rate and the effective tax rate is as follows:

	2013		2012	
	$	**%**	**$**	**%**
Earnings before income tax expenses	92.5	100.0	57.0	100.0
Combined Canadian federal and provincial statutory tax rate	26.67%		26.62%	
Income taxes based on statutory income tax rates	24.7	26.7	15.2	26.6
Non-deductible expenses	0.8	0.9	3.1	5.4
Foreign tax rate differences	(3.6)	(3.9)	(3.2)	(5.6)
Effect of change in tax rates	0.8	0.9	(3.9)	(6.8)
Adjustment in respect of prior years	(0.7)	(0.8)	0.1	0.2
Adjustment for associates' tax	-	-	(0.7)	(1.2)
Other	0.3	0.3	0.1	0.2
	22.3	24.1	10.7	18.8

On July 2, 2013, the United Kingdom ("UK") Finance Bill which included the reduction in the UK corporate tax rate from 23% to 21%, effective April 1, 2014 and from 21% to 20%, effective April 1, 2015 was substantively enacted. As a result, for the year ended December 31, 2013, the Company incurred a charge to other comprehensive income of approximately $1.9 (included in actuarial gain (loss) on pension schemes in the consolidated statements of comprehensive income) and an increase of $0.8 to income tax expense due to the re-evaluation of its non-current deferred income tax assets and non-current deferred income tax liabilities.

In December 2012, the Swedish corporate tax rate decreased by 4.3% generating a deferred income tax recovery of $3.5 mainly resulting from the decrease of the deferred income tax liability. Some of the Company's foreign subsidiaries are subjected to corporate tax rates that differed from the Company's statutory tax rate. The global impact of these differences has reduced tax expense by $3.2. Moreover, the effective tax rate was impacted by non-deductible fees of $10.5 related to the WSP Group plc acquisition.

As at December 31, 2013, and 2012, the significant components of deferred income tax assets and liabilities were as follows:

(in millions of Canadian dollars, except the number of shares and per share data and unless otherwise stated)

2013

	As at January 1 $	Credited (charged) to statement of earnings $	Credited (charged) to other compre-hensive income $	Charged directly to equity $	Business acquisi-tions $	Exchange differences $	As at Dec. 31 $
Deductible provisions upon settlement	3.0	(0.4)	-	-	-	0.1	2.7
Non-capital losses	9.4	8.1	-	-	-	1.1	18.6
Pension Plan	18.5	(0.7)	(3.0)	-	-	1.3	16.1
Deferred issuance-related costs	3.7	(0.5)	-	-	-	-	3.2
Property, plant and equipment/ intangible assets	(14.6)	2.2	-	-	-	(2.2)	(14.6)
Costs and anticipated profits in excess of billings	(34.9)	-	-	-	-	(2.4)	(37.3)
Holdbacks	(0.6)	(0.4)	-	-	-	-	(1.0)
Other temporary differences	9.3	(2.7)	1.2	-	-	(0.7)	7.1
Total	(6.2)	5.6	(1.8)	-	-	(2.8)	(5.2)

(in millions of Canadian dollars, except the number of shares and per share data and unless otherwise stated)

	2012						
	As at January 1 $	Credited (charged) to statement of earnings $	Credited (charged) to other comprehensive income $	Charged directly to equity $	Business acquisitions $	Exchange differences $	As at December 31 $
Deductible provisions upon settlement	0.5	0.5	-	-	2.0	-	3.0
Non-capital losses	0.6	4.9	-	-	3.8	0.1	9.4
Pension plan	-	(0.2)	(1.5)	-	19.6	0.6	18.5
Deferred issuance-related costs	1.9	(1.0)	-	2.7	0.1	-	3.7
Property, plant and equipment/ intangible assets	(6.2)	6.0	-	-	(14.7)	0.3	(14.6)
Costs and anticipated profits in excess of billings	(7.3)	-	-	-	(26.2)	(1.4)	(34.9)
Holdbacks	(0.7)	0.1	-	-	-	-	(0.6)
Other temporary differences	-	(3.9)	0.5	-	11.9	0.8	9.3
Total	(11.2)	6.4	(1.0)	2.7	(3.5)	0.4	(6.2)

	December 31, 2013 $	December 31, 2012 $
Deferred income tax assets		
To be recovered after more than 12 months	39.5	30.0
To be recovered within 12 months	13.0	18.7
	52.5	48.7
Deferred income tax liabilities		
To be paid after more than 12 months	(17.0)	(13.9)
To be paid within 12 months	(40.7)	(41.0)
	(57.7)	(54.9)
Deferred income tax liabilities (net)	(5.2)	(6.2)

Certain subsidiaries of the Company incurred net operating losses of $103.2 ($51.0 in 2012) and have a deductible temporary difference of nil ($4.5 in 2012), for which deferred tax assets of $18.6 (9.4 in 2012) were recognized. The Company expects to utilize the operating losses giving rise to the deferred tax assets prior to their expiry dates.

A deferred liability relating to taxable temporary differences amounting to $46.4 as at December 31, 2013, and to $27.6 as at December 31, 2012, has not been recognized for taxes relating to investments in foreign subsidiaries as the Company does not expect these temporary differences to reverse in the foreseeable future. Upon distribution of these earnings in the form of dividends or otherwise, the Company may be subject to corporation or withholding taxes.

21 Dividends

The Company aims to declare and pay cash dividends on a quarterly basis to shareholders. The total amount of dividends declared by the Company for the year ended December 31, 2013, was $77.8 or $1.50 per share ($62.8 or $1.50 per share in 2012).

Dividend reinvestment plan (DRIP)

Concurrently with the announcement of the WSP Group plc acquisition, the Company has adopted a DRIP.

Under the DRIP, the holders of common shares may elect to have cash dividends reinvested into additional common shares. The shares to be delivered can be purchased on the open market or issued from treasury at the discretion of Management. The shares issued from treasury will be issued at a discount of up to 5% of the applicable average market price.

CPPIB and the Caisse have undertaken to have substantially all of their common shares participate in the DRIP for all dividends with a record date on or before July 1, 2013.

Following the payment of the dividends declared on November 6, 2012, on March 12, 2013, on May 7, 2013 and on August 8, 2013, $31.1 was reinvested in 1,324,622 common shares under the dividend reinvestment plan (“DRIP”) (note 17).

On January 15, 2014, on the payment of the fourth quarter dividend, $9.4 was reinvested in 305,174 additional shares under the DRIP.

(in millions of Canadian dollars, except the number of shares and per share data and unless otherwise stated)

22 Statements of cash flows

a) Adjustments

	2013 $	2012 $
Depreciation and amortization	58.7	40.8
Share of income per statements of earnings of associates and joint ventures	(4.3)	(1.9)
Defined benefit pension scheme expense	0.6	0.4
Cash contribution to defined benefit pension schemes	(7.9)	(4.0)
Foreign exchange and non-cash movements	(1.7)	(0.4)
Others	1.0	3.9
	46.4	38.8

b) Change in non-cash working capital items

	2013 $	2012 $
Decrease (increase) in:		
Trade, prepaid and other receivables	7.6	(7.8)
Costs and anticipated profits in excess of billings	17.5	0.8
Increase (decrease) in:		
Accounts payable and accrued liabilities	(17.4)	(9.4)
Billings in excess of costs and anticipated profits	(12.0)	20.0
	(4.3)	3.6

c) Transactions not affecting cash and cash equivalents

	2013 $	2012 $
Additions to intangible assets and prepaid through the assumption of a finance lease and financial liabilities	17.9	-

23 Related party transactions

a) Controlled entities

The Company controls and consolidates an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

(in millions of Canadian dollars, except the number of shares and per share data and unless otherwise stated)

	Country of incorporation	Interest 2013	Interest 2012
7247923 Canada Inc.	Canada	100%	100%
AE Consultants Ltd.	Canada	-	-
Arcop Architecture Inc.	Canada	-	-
Consultores Regionales Asociados - CRA S.A.S.	Colombia	100%	100%
GENIVAR Construction Nord Inc.	Canada	100%	100%
GENIVAR France	France	70%	70%
GENIVAR Trinidad & Tobago (GENIVAR TT)	Trinidad & Tobago	100%	100%
GENIVAR Wind USA Inc.	USA	100%	100%
Giroux équipement d'arpentage Inc.	Canada	100%	100%
Groupe Giroux Inc.	Canada	49%	49%
Groupe Giroux arpenteurs-géomètres Inc.	Canada	49%	49%
Magnate Communication Corp.	Canada	100%	100%
North 46 Architecture Inc.	Canada	-	-
PBK Architects Inc.	Canada	-	-
Smith Carter Architects and Engineers Incorporated	Canada	-	-
Smith Carter (USA) LLC	USA	100%	100%
Tecnoambiental S.A.S.	Colombia	100%	-
WHW Architects Incorporated	Canada	-	-
WSP UK Limited	England	100%	100%
WSP Environmental Limited	England	100%	100%
WSP Management Services Limited	England	100%	100%
WSP Sverige AB	Sweden	100%	100%
WSP Finland Limited	Finland	100%	100%
WSP USA Corp.	USA	100%	100%
WSP Group Africa (Pty) Limited	South Africa	74%	74%
WSP Middle East Limited	Jersey	100%	100%
WSP Hong Kong Limited	Hong Kong	100%	100%
Shanghai WSP Consulting Limited	China	100%	100%
WSP Consultants India Limited	India	100%	100%
WSP Deutschland AG	Germany	100%	100%
WSP Buildings Pty	Australia	100%	100%

b) Key management compensation

Key management includes the members of the Board, the President and Chief Executive Officer, the Chief Financial Officer and the members of the Executive team. The compensation paid or payable to key management is shown below:

	2013 $	2012 $
Short-term employee benefits	6.1	6.2
Post-employment benefits	0.3	0.3
	6.4	6.5

(in millions of Canadian dollars, except the number of shares and per share data and unless otherwise stated)

24 Financial instruments

Fair value

Cash and cash equivalents, trade, prepaid and other receivables, costs and anticipated profits in excess of billings, accounts payable and accrued liabilities, dividends, promissory notes, bank overdrafts, loan payable, notes payable, balances payable to former shareholders, provisions, long-term debts, obligations under finance leases and bank advances are financial instruments whose fair values approximate their carrying values due to their short-term maturity, variable interest rates or current market rates for instruments with fixed rates.

The fair value hierarchy under which the Company's financial instruments are valued is as follows:

- Level 1 includes unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 includes inputs other than quoted prices included in Level 1 that are observable for the assets or liability, either directly or indirectly;
- Level 3 includes inputs for the assets or liability that are not based on observable market data.

As at December 31, 2013, and 2012, the fair value of the investments available for sale is valued under Level 1. These are the only assets measured at fair value.

Financial risk management

The Company is exposed to credit risk, foreign currency risk, interest rate risk and liquidity risk. The following analyses provide a measurement of those risks as at December 31, 2013, and 2012.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

Financial instruments which potentially subject the Company to significant credit risk consist principally of cash and cash equivalents, trade and other receivables, and costs and anticipated profits in excess of billings. The Company's maximum amount of credit risk exposure is limited to the carrying amount of these financial instruments, which is $765.2 as at December 31, 2013, and $757.3 as at December 31, 2012.

The Company's cash and cash equivalents are held with or issued by leading financial institutions. Therefore, the Company considers the risk of non-performance on these instruments to be minimal.

The Company's credit risk is principally attributable to its trade receivables. The amounts presented in the consolidated statements of financial position are net of an allowance for doubtful accounts, estimated by the Company's Management and based, in part, on the age of the specific receivable balance and the current and expected collection trends. Generally, the Company does not require

collateral or other security from customers for trade accounts receivable; however, credit is extended following an evaluation of creditworthiness. In addition, the Company performs ongoing credit reviews of all its customers and establishes an allowance for doubtful accounts when the likelihood of collecting the account has significantly diminished. The Company believes that the credit risk of trade accounts receivable is limited. During the year ended December 31, 2013, and 2012, bad debts accounted for were not significant.

The Company mitigates its credit risk by providing services to diverse clients in various market segments and sectors of the economy.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company operates internationally and is exposed to currency risks arising from its operating activities denominated in Sterling, Swedish krona, US dollars and Euros and to its net asset in foreign operations. These risks are partially offset by purchases and operating expenses incurred in these currencies.

The Company has investments in foreign operations, whose net assets are exposed to foreign currency risk. This risk is partly offset through borrowings denominated in the relevant foreign currency. The exchange gains or losses on the net equity investment of these operations are reflected in the accumulated other comprehensive income (loss) account in shareholders' equity, as part of the currency translation adjustment.

Taking into account the amounts denominated in foreign currencies and presuming that all of the other variables remain unchanged, a fluctuation in exchange rates would have an impact on the Company's net earnings. Management believes that a 10% change (10% in 2012) in exchange rates could be reasonably possible.

The table below summarizes the impacts of a 10% weakening or strengthening in the exchange rates on the net earnings:

	2013 $	2012 $
Sterling	0.7	0.8
US dollar	3.4	1.3
Euro	0.3	0.3
Others	0.7	0.2

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of

changes in market interest rates relates primarily to its bank advances, notes payable, certain long-term debts and the balances payable to former shareholders with floating interest rates. This risk is partially offset by cash held at variable rates.

A fluctuation in interest rates would not have a material impact on the Company's net earnings.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in meeting its obligations as they fall due.

A centralized treasury function ensures that the Company maintains funding flexibility by assessing future cash flow expectations and by maintaining sufficient headroom on its committed borrowing facilities. Borrowing limits, cash restrictions and compliance with debt covenants are also taken into account.

The Company watches for liquidity risks arising from financial instruments on an ongoing basis. Management monitors the liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times. WSP has access to committed lines of credit with banks (note 12).

The tables below present the contractual maturities of financial liabilities as at December 31, 2013, and 2012. The amounts disclosed are contractual undiscounted cash flows.

					2013
	Carrying amount $	**Contractual cash flows $**	**Less than a year $**	**Between 1 and 2 years $**	**More than 2 years $**
Accounts payable and accrued liabilities, including non-current portion of provisions	374.9	374.9	367.9	7.0	-
Dividends payable to shareholders	19.6	19.6	19.6	-	-
Loan payable	4.6	4.8	4.8	-	-
Long-term debts, including current portion	9.4	10.0	2.1	7.9	-
Financial liabilities, including current portion	48.3	48.5	41.7	6.2	0.6
Bank advances	179.8	196.8	3.4	3.4	190.0
	636.6	654.6	439.5	24.5	190.6

(in millions of Canadian dollars, except the number of shares and per share data and unless otherwise stated)

	2012				
	Carrying amount $	**Contractual cash flows $**	**Less than a year $**	**Between 1 and 2 years $**	**More than 2 years $**
Accounts payable and accrued liabilities, including non-current portion of provisions	367.9	368.0	361.0	0.7	6.3
Dividends payable to shareholders	19.1	19.1	19.1	-	-
Loan payable	5.0	5.1	5.1	-	-
Long-term debts, including current portion	13.3	14.6	5.3	1.3	8.0
Financial liabilities, including current portion	23.8	24.2	22.9	1.2	0.1
Bank advances	212.7	227.8	4.4	4.4	219.0
	641.8	658.8	417.8	7.6	233.4

As at December 31, 2013, the Company had unused credit facilities of $209.9 ($185.1 in 2012), net of outstanding letters of credit of $6.0 ($3.6 in 2012), and cash and cash equivalents less bank overdraft of $100.1 ($121.3 in 2012).

25 Commitments and contingencies

Leases and bonds

The Company leases various office premises and equipment under non-cancellable operating lease agreements. The lease terms vary from six months to ten years, and the majority of lease agreements are renewable at the end of the lease period for an additional period varying from 30 months to 10 years at market rate.

The lease expenditure included in the consolidated statements of earnings amounts to $76.3 for the year ended December 31, 2013 ($44.2 for the year ended December 31, 2012).

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	2013 $	2012 $
No later than 1 year	79.0	77.6
Later than 1 year and no later than 5 years	190.9	196.9
Later than 5 years	93.9	103.1
	363.8	377.6

As at December 31, 2013, bonds given in the normal course of business total $12.8 ($8.7 in 2012).

Contingencies

The Company is currently facing legal proceedings for work carried out in the normal course of its business. The Company takes out a professional liability insurance policy in order to manage the risks related to such proceedings. Based on advice and information provided by its legal advisors and on its experience in the settlement of similar proceedings, Management believes that the Company has accounted for sufficient provisions in that regard and that the final settlement should not exceed the insurance coverage significantly or should not have a material effect on the financial position or operating results of the Company.

As a government contractor, the Company may be subject to laws and regulations that are more restrictive than those applicable to non-government contractors. Government scrutiny of contractors' compliance with those laws and regulations through audits and investigations is inherent in government contracting, and, from time to time, Management receives inquiries and similar demands related to our ongoing business with government entities. In November 2012, the Unité Permanente Anti-Corruption executed search warrants in the Company's offices located in the City of Laval in the province of Quebec in relation to certain contracts awarded in the City of Laval. On February 11, 2013, the Company announced that it was in possession of information confirming that inappropriate conduct in the province of Quebec in the financing of political parties and the awarding of municipal contracts had occurred in the past. On or about February 28, 2013, the Competition Bureau executed search warrants at the Company's offices located in Gatineau and Quebec City. On May 8, 2013, charges were brought against two former employees of the Company in connection with events having allegedly occurred in the City of Laval. As of March 12, 2014, no charges had been brought against the Company in respect of any of these facts nor has the Company received any claims for fines, penalties or other monetary compensation. The Company cannot predict at this time the final outcome or potential losses, if any, with respect to any investigation by government authorities in respect of these facts, including the possibility that their scope may be broadened which could have a material adverse impact on its future results of operations.

On February 4, 2014, the Company announced that its Canadian subsidiary, WSP Canada Inc., obtained from the Autorité des marches financiers ("AMF"), the provincial body which regulates financial markets and provides assistance to consumers of financial products and services in the Province of Quebec, the authorization to participate in the procurement of public contracts over $10.0

and contracts with the City of Montreal valued at more than $0.1 in the Province of Quebec, in accordance with the Act Respecting Contracting by Public Bodies. Pursuant to this authorization, WSP Canada Inc. is now registered on the AMF's list of authorized companies and such authorization is valid for a period of three years.

26 Segment information

(a) Major customers

As at December 31, 2013, and 2012, no individual customer represented more than 10% of the Company's consolidated revenues.

(b) Segmented information

The Company manages through five reportable operating segments, which are the following: Canada, United States, United Kingdom, Northern Europe and Rest of the World.

The Executive Committee assesses the performance of the operating segments based on revenues, net revenues and adjusted EBITDA. Adjusted EBITDA excludes items identified by Management as non-recurring costs, like restructuring, transaction and integration expenses, and also excludes global corporate costs. Global corporate costs are expenses and salaries related to centralized functions, like global finance, human resources and technology teams, which are not allocated to segments. This measure also excludes the effects of financial expenses, amortization, depreciation and income taxes.

Sales between segments are carried out at arm's length. The revenues reported to the Executive Team are measured in a similar manner as in the consolidated statements of earnings and exclude intercompany sales.

(in millions of Canadian dollars, except the number of shares and per share data and unless otherwise stated)

The table below presents the Company's operations based on the new reportable operating segments. The comparative information was revised to conform to the actual structure.

						2013
	Canada	**United States**	**United Kingdom**	**Northern Europe**	**Rest of the World**	**Total**
Revenues	634.2	198.4	367.0	534.5	281.9	2,016.0
Less: Subconsultants and direct costs	104.6	28.6	87.1	74.1	44.4	338.8
Net revenues	529.6	169.8	279.9	460.4	237.5	1,677.2
Adjusted EBITDA	74.9	26.8	25.8	60.8	15.6	203.9
Global corporate costs						(23.3)
Restructuring charges						(9.5)
Financial expenses						(15.1)
Depreciation and amortization						(58.6)
Share of taxation and amortization of associates						(4.9)
Earnings before income tax						92.5

						2012
	Canada	**United States**	**United Kingdom**	**Northern Europe**	**Rest of the World**	**Total**
Revenues	693.5	74.5	139.1	222.0	128.4	1,257.5
Less: Subconsultants and direct costs	129.0	10.6	31.4	34.0	32.4	237.4
Net revenues	564.5	63.9	107.7	188.0	96.0	1,020.1
Adjusted EBITDA	86.9	7.5	11.7	29.1	5.5	140.7
Global corporate costs						(15.3)
Transaction and integration expenses						(16.8)
Financial expenses						(9.4)
Depreciation and amortization						(40.8)
Share of taxation and amortization of associates						(1.4)
Earnings before income tax						57.0

(in millions of Canadian dollars, except the number of shares and per share data and unless otherwise stated)

(c) Geographic information

The following revenues have been allocated to geographic regions based on the country of operation of the Company.

	2013 $	2012 $
Canada	634.2	710.8
Sweden	439.1	182.4
United Kingdom	367.0	136.7
United States	198.4	77.2
United Arab Emirates	60.3	15.7
South Africa	55.7	39.9
Germany	46.9	21.4
Australia	41.7	9.3
Others	172.7	64.1
	2,016.0	1,257.5

The property, plant and equipment, goodwill and intangible assets are allocated in the following countries:

	December 31, 2013 $	December 31, 2012 $
Canada	331.9	334.5
Sweden	269.2	251.8
United Kingdom	185.7	175.3
United States	111.9	113.8
Others	69.7	70.9
	968.4	946.3

27 Subsequent events

On March 12, 2014, the Company entered into an arrangement agreement in connection with the acquisition (the “Acquisition”) of all of the issued and outstanding shares of Focus Group Holding Inc. (“Focus”), a multi-disciplinary engineering and geomatics firm based in Alberta principally serving the oil and gas industry in Western Canada, for an aggregate amount of approximately $366.1, subject to customary purchase price adjustments. The Acquisition, which remains subject to certain customary closing conditions, including court, shareholder and applicable regulatory approvals, is expected to be completed through a plan of arrangement pursuant to Section 288 of the Business Corporation Act (British Columbia). The special meeting of the shareholders of Focus to consider the Acquisition

and the arrangement agreement is expected to be held on or about April 2, 2014 and the Acquisition is expected to become effective on or about April 11.

Concurrently with the Acquisition, WSP entered into an agreement with a syndicate of underwriters (the "Underwriters") pursuant to which they have agreed to purchase, on a bought deal basis by way of a short form prospectus, 5,333,000 common shares of WSP from treasury at a price of $33.75 per common share of WSP (the "Offering Price"), for aggregate gross proceeds to WSP of approximately $180.0 (the "Offering"). In addition, the Underwriters have been granted an over-allotment option, exercisable in whole or in part at the Offering Price for a period of 30 days from closing of the Offering, for additional gross proceeds of up to approximately $27.0 million (the "Over-Allotment Option").

WSP also entered into subscription agreements with the Canada Pension Plan Investment Board ("CPPIB") and the Caisse de dépôt et placement du Québec (the "Caisse") to purchase, on a private placement basis, an aggregate of 2,370,000 common shares at a price of $33.75 per common share for aggregate gross proceeds to WSP of $80.0 (the "Concurrent Private Placement"). Subject to receipt by the Company of any necessary regulatory approval, CPPIB and the Caisse have also been granted an option to purchase additional common shares of WSP representing up to 15% of the number of Common Shares subscribed by them on closing subject to the Over-Allotment Option being exercised by the Underwriters (the "Additional Subscription Option"). The number of additional Common Shares to be purchased by CPPIB and the Caisse pursuant to such option will be in the same proportion as the Common Shares that are purchased by the Underwriters pursuant to the Over-Allotment Option, if any, and will represent additional maximum gross proceeds of $12.0.

Upon the closing of the Concurrent Private Placement, and of any exercise of the Additional Subscription Option, each of CPPIB and the Caisse will be entitled to a non-refundable capital commitment payment equal to 3% of the aggregate purchase price for the common shares for which each of them has subscribed at closing (and the additional common shares each of them has subscribed pursuant to the Additional Subscription Option, as applicable).

The Offering and the Concurrent Private Placement are conditional on one another and are conditional upon there being no termination of the Acquisition or announcement of such termination prior to the closing of the Offering and the Concurrent Private Placement ("Offering Closing"). To the extent it is exercised, the closing of the Additional Subscription Option will be conditional upon the closing of the Over-Allotment Option.

As announced, the Company has declared dividend of $0.375 per common share on March 12, 2014 that will be payable on or around April 15, 2014 to holders of common shares on record as of March 31, 2014 If the closing of the Offering and the Concurrent Private Placement occurs after 4:00 p.m. on March 31, 2014 but before April 15, 2014, the holders of newly issued Common Shares pursuant to the Offering and CPPIB and the Caisse will receive a dividend equivalent receipt giving them the right to receive an amount equal to dividend to be paid on April 15, 2014 in respect of the Common Shares acquired by them pursuant to the Offering and the Concurrent Private Placement, respectively.

In connection with the acquisition of Focus, the Company amended its credit facilities increasing the maximum amount from $400.0 to $600.0 with no other changes to conditions (note 12).

(in millions of Canadian dollars, except the number of shares and per share data and unless otherwise stated)

28 Comparative figures

Certain comparative figures have been reclassified to conform to the current year presentation.